

**INLAND EMPIRE
PUBLIC FACILITIES CORPORATION**

AUDIT REPORT

JUNE 30, 2008

INLAND EMPIRE PUBLIC FACILITIES CORPORATION

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Exhibit "A" Combined Statement of Net Assets	2 – 3
Exhibit "B" Combined Statement of Revenues, Expenses, and Changes in Net Assets	4 – 5
Exhibit "C" Combined Statement of Cash Flows	6 – 7
Notes to the Financial Statements	8 – 33
Supplementary Information	
Schedule One Schedule of Lease Payments Receivable Construction and Improvement Project 1996 County Center Refinancing	34
Schedule Two Schedule of Lease Payments Receivable Construction and Improvement Project - Series 2002	35
Schedule Three Schedule of Lease Payments Receivable – West Valley Detention Center Project – 2001 Series A	36
Schedule Four Schedule of Lease Payments Receivable – West Valley Detention Center Project - 2001 Series B	37
Schedule Five Schedule of Lease Payments Receivable – West Valley Detention Center Project - 2002 Series A	38
Schedule Six Schedule of Lease Payments Receivable – Medical Center Project - Series 1994	39
Schedule Seven Schedule of Lease Payments Receivable – Medical Center Project - Series 1995	40
Schedule Eight Schedule of Lease Payments Receivable – Medical Center Project - Series 1996	41
Schedule Nine Schedule of Lease Payments Receivable – Medical Center Project - Series 1997	42
Schedule Ten Schedule of Lease Payments Receivable – Medical Center Project – Series 1998	43

INLAND EMPIRE PUBLIC FACILITIES CORPORATION

TABLE OF CONTENTS

		<u>PAGE</u>
Schedule Eleven	Schedule of Lease Payments Receivable – Glen Helen Blockbuster Project - Series 2008 A	44
Schedule Twelve	Schedule of Lease Payments Receivable – Glen Helen Blockbuster Project - Series 2008 B	45
Schedule Thirteen	Schedule of Lease Payments Receivable – Capital Improvement Refinancing Project	46
Schedule Fourteen	Schedule of Lease Payments Receivable – Solid Waste Financing Project – Series 2008B	47
Schedule Fifteen	Schedule of Lease Payments Receivable – Public Improvement Financing Project	48
Schedule Sixteen	Schedule of Debt Service - Certificates of Participation - Construction and Improvement Project – 1996 County Center Refinancing	49
Schedule Seventeen	Schedule of Debt Service - Certificates of Participation – Construction and Improvement Project – Series 2002	50
Schedule Eighteen	Schedule of Debt Service - Certificates of Participation - West Valley Detention Center Project - 2001 Series A	51
Schedule Nineteen	Schedule of Debt Service - Certificates of Participation - West Valley Detention Center Project - 2001 Series B	52
Schedule Twenty	Schedule of Debt Service - Certificates of Participation – West Valley Detention Center Project - 2002 Series A	53
Schedule Twenty-one	Schedule of Debt Service - Certificates of Participation - Medical Center Project – Series 1994	54
Schedule Twenty-two	Schedule of Debt Service - Certificates of Participation - Medical Center Project – Series 1995	55

INLAND EMPIRE PUBLIC FACILITIES CORPORATION

TABLE OF CONTENTS

		<u>PAGE</u>
Schedule Twenty-three	Schedule of Debt Service - Certificates of Participation - Medical Center Project - Series 1996	56
Schedule Twenty-four	Schedule of Debt Service - Certificates of Participation - Medical Center Project - Series 1997	57
Schedule Twenty-five	Schedule of Debt Service - Certificates of Participation - Medical Center Project - Series 1998	58
Schedule Twenty-six	Schedule of Debt Service - Certificates of Participation - Glen Helen Blockbuster Refinancing Project - Series 2008 A	59
Schedule Twenty-seven	Schedule of Debt Service - Certificates of Participation - Glen Helen Blockbuster Refinancing Project - Series 2008 B	60
Schedule Twenty-eight	Schedule of Debt Service - Certificates of Participation - Capital Improvement Refinancing Project	61
Schedule Twenty-nine	Schedule of Debt Service - Certificates of Participation - Solid Waste Financing Project - Series 2008 B	62
Schedule Thirty	Schedule of Debt Service - Certificates of Participation - Public Improvement Financing Project	63



INDEPENDENT AUDITORS' REPORT

Board of Directors
Inland Empire Public Facilities Corporation
San Bernardino, CA

We have audited the accompanying financial statements of the Inland Empire Public Facilities Corporation (the Corporation) a component unit of the County of San Bernardino, California, as of June 30, 2008, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Inland Empire Public Facilities Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Inland Empire Public Facilities Corporation as of June 30, 2008, and the respective changes in financial position thereof, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The *Management's Discussion and Analysis (MD&A)* is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The management of the Inland Empire Public Facilities Corporation has elected to omit this information.

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Inland Empire Public Facilities Corporation's financial statements. The supplementary information on those pages listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
September 30, 2008

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF NET ASSETS
JUNE 30, 2008

EXHIBIT A

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 8,491,532	\$ 59,690	\$ 1,829,899	\$ 1,163,348
Investments	6,580,543	-	58,369,905	-
Interest receivable	154,783	59	996,070	1,402
Receivable from County of San Bernardino	-	-	530,517	-
Current portion of gross lease payments receivable	9,778,110	9,060,658	56,464,721	948,422
Current portion of unearned lease interest income	(4,910,537)	(4,951,766)	(31,083,362)	(563,384)
Total Current Assets	<u>20,094,431</u>	<u>4,168,641</u>	<u>87,107,750</u>	<u>1,549,788</u>
Noncurrent Assets:				
Gross lease payments receivable, net of current portion	63,458,595	90,085,885	803,784,797	16,191,885
Unearned lease interest income, net of current portion	(19,069,028)	(27,722,119)	(370,269,221)	(6,050,444)
Deferred Certificates of Participation issuance costs	832,627	1,298,294	7,202,035	100,118
Total Noncurrent Assets	<u>45,222,194</u>	<u>63,662,060</u>	<u>440,717,611</u>	<u>10,241,559</u>
TOTAL ASSETS	<u>65,316,625</u>	<u>67,830,701</u>	<u>527,825,361</u>	<u>11,791,347</u>
LIABILITIES				
Current Liabilities:				
Interest Payable	1,036,584	597,263	11,385,779	20,901
Current portion of Certificates of Participation payable	7,435,000	5,495,000	29,795,000	710,000
Total Current Liabilities	<u>8,471,584</u>	<u>6,092,263</u>	<u>41,180,779</u>	<u>730,901</u>
Noncurrent Liabilities:				
Certificates of Participation Payable net of current portion	59,835,000	70,800,000	509,250,000	13,845,000
Arbitrage Payable	-	-	530,517	-
Deferred Loss on refunding	(4,897,496)	(3,588,311)	(34,237,331)	(2,836,180)
Discounts, net of premium on Certificates of Participation payable	929,650	1,796,276	(12,186,284)	-
Total Noncurrent Liabilities	<u>55,867,154</u>	<u>69,007,965</u>	<u>463,356,902</u>	<u>11,008,820</u>
TOTAL LIABILITIES	<u>64,338,738</u>	<u>75,100,228</u>	<u>504,537,681</u>	<u>11,739,721</u>
NET ASSETS (DEFICIT)				
Restricted	<u>\$ 977,887</u>	<u>\$ (7,269,527)</u>	<u>\$ 23,287,680</u>	<u>\$ 51,626</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF NET ASSETS
JUNE 30, 2008

EXHIBIT A

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total
\$ 19,640	\$ 5,934,777	\$ 1,925,211	\$ 19,424,097
-	-	1,412,239	66,362,687
19	8,980	31,997	1,193,310
-	-	-	530,517
391,298	8,077,664	1,417,530	86,138,403
(242,748)	(2,859,115)	(423,079)	(45,033,991)
168,209	11,162,306	4,363,898	128,615,023
7,571,873	75,549,228	16,160,729	1,072,802,992
(2,299,925)	(13,642,247)	(5,225,179)	(444,278,163)
230,075	507,306	299,618	10,470,073
5,502,023	62,414,287	11,235,168	638,994,902
5,670,232	73,576,593	15,599,066	767,609,925
8,060	146,341	153,083	13,348,011
300,000	6,430,000	825,000	50,990,000
308,060	6,576,341	978,083	64,338,011
6,800,000	67,960,000	11,105,000	739,595,000
-	-	-	530,517
(1,222,738)	(1,333,261)	-	(48,115,317)
-	-	(186,842)	(9,647,200)
5,577,262	66,626,739	10,918,158	682,363,000
5,885,322	73,203,080	11,896,241	746,701,011
\$ (215,090)	\$ 373,513	\$ 3,702,825	\$ 20,908,914

ASSETS

Current Assets:

Cash and cash equivalents
Investments
Interest receivable
Receivable from County of
San Bernardino
Current portion of gross lease
payments receivable
Current portion of unearned
lease interest income
Total Current Assets

Noncurrent Assets:

Gross lease payments receivable,
net of current portion
Unearned lease interest income,
net of current portion
Deferred Certificates of
Participation issuance costs
Total Noncurrent Assets

TOTAL ASSETS

LIABILITIES

Current Liabilities:

Interest Payable
Current portion of Certificates of
Participation payable
Total Current Liabilities

Noncurrent Liabilities:

Certificates of Participation Payable
net of current portion
Arbitrage Payable
Deferred Loss on refunding
Discounts, net of premium on
Certificates of Participation payable
Total Noncurrent Liabilities

TOTAL LIABILITIES

NET ASSETS (DEFICIT)

Restricted

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT B

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
REVENUES				
Lease interest	\$ 5,232,806	\$ 5,256,556	\$ 28,771,847	\$ 1,309,646
Investment income				
Interest and dividends	315,805	18,869	3,286,919	7,185
Other Revenue	-	-	-	28,278
Net increase (decrease) in fair value of investments	-	-	1,442,167	-
Total Revenues	<u>5,548,611</u>	<u>5,275,425</u>	<u>33,500,933</u>	<u>1,345,109</u>
EXPENSES				
Interest	2,582,810	3,735,168	26,923,344	515,482
Amortization of deferred amount on refinancing	632,109	576,815	1,807,388	165,062
Amortization of discount (premium) on Certificates of Participation	(116,206)	(263,168)	434,878	-
Amortization of deferred Certificates of Participation issuance costs	107,659	125,475	628,955	15,811
Other expenses	-	1,489	130,347	28,549
Total Expenses	<u>3,206,372</u>	<u>4,175,779</u>	<u>29,924,912</u>	<u>724,904</u>
Changes in Net Assets	2,342,239	1,099,646	3,576,021	620,205
Net Assets (Deficit) - July 1, 2007	<u>(1,364,352)</u>	<u>(8,369,173)</u>	<u>19,711,659</u>	<u>(568,579)</u>
Net Assets (Deficit) - June 30, 2008	<u>\$ 977,887</u>	<u>\$ (7,269,527)</u>	<u>\$ 23,287,680</u>	<u>\$ 51,626</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT B

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total	
\$ 200,319	\$ 2,244,490	\$ 628,758	\$ 43,644,422	REVENUES
943	50,519	173,084	3,853,324	Lease interest
-	152,958	-	181,236	Investment income
-	-	-	1,442,167	Interest and dividends
201,262	2,447,967	801,842	49,121,149	Other Revenue
206,742	3,464,382	621,613	38,049,541	Net increase (decrease) in fair value of investments
70,542	25,640	-	3,277,556	Total Revenues
-	-	10,832	66,336	
13,273	114,353	17,369	1,022,895	EXPENSES
-	147,216	-	307,601	Interest
290,557	3,751,591	649,814	42,723,929	Amortization of deferred amount on refinancing
(89,295)	(1,303,624)	152,028	6,397,220	Amortization of discount (premium) on Certificates of Participation
(125,795)	1,677,137	3,550,797	14,511,694	Amortization of deferred Certificates of Participation issuance costs
\$ (215,090)	\$ 373,513	\$ 3,702,825	\$ 20,908,914	Other expenses
				Total Expenses
				Changes in Net Assets
				Net Assets (Deficit) - July 1, 2007
				Net Assets (Deficit) - June 30, 2008

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT C

	Construction and Improvement Project	West Valley Detention Center Project	Medical Center Project	Glen Helen Blockbuster Project
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Lease payments received	\$ 9,532,834	\$ 9,074,983	\$ 51,290,300	\$ 1,004,824
Other revenue received	-	-	-	28,278
Principal payments on Certificates of Participation	(6,835,000)	(5,305,000)	(27,180,000)	(13,800,000)
Interest paid	(2,685,889)	(3,769,983)	(27,533,758)	(503,221)
Other expenses	-	(1,489)	(130,347)	(28,645)
Proceeds of certificates of participation issue	-	-	-	14,555,000
Transfer from Solid Waste Financing Project to Glen Helen Blockbuster Project	-	-	-	2,410
Certificate of Participation Issuance Costs	-	-	-	(101,184)
Net Cash Provided By (Used) For Capital and Related Financing Activities	<u>11,945</u>	<u>(1,489)</u>	<u>(3,553,805)</u>	<u>1,157,462</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	320,995	18,963	3,292,643	5,886
Proceeds from sale of investments	13,205,563	-	-	-
Purchase of investments	(13,183,411)	-	-	-
Net Cash Provided By (Used) For Investing Activities	<u>343,147</u>	<u>18,963</u>	<u>3,292,643</u>	<u>5,886</u>
Increase (Decrease) in cash and cash equivalents	355,092	17,474	(261,162)	1,163,348
Cash and cash equivalents at June 30, 2007	<u>8,136,440</u>	<u>42,216</u>	<u>2,091,061</u>	<u>-</u>
Cash and cash equivalents at June 30, 2008	<u>\$ 8,491,532</u>	<u>\$ 59,690</u>	<u>\$ 1,829,899</u>	<u>\$ 1,163,348</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

EXHIBIT C

Capital Improvement Refinancing Project	Solid Waste Financing Project	Public Improvement Financing Project	Total
\$ 507,976	\$ 9,100,354	\$ -	\$ 80,511,271
-	152,958	-	181,236
(300,000)	(73,725,000)	(790,000)	(127,935,000)
(212,129)	(3,413,883)	(630,895)	(38,749,758)
	(151,824)		(312,305)
-	74,390,000	-	88,945,000
-	(2,410)	-	-
-	(517,062)	-	(618,246)
(4,153)	5,833,133	(1,420,895)	2,022,198
983	42,507	182,239	3,864,216
-	-	-	13,205,563
-	-	-	(13,183,411)
983	42,507	182,239	3,886,368
(3,170)	5,875,640	(1,238,656)	5,908,566
22,810	59,137	3,163,867	13,515,531
<u>\$ 19,640</u>	<u>\$ 5,934,777</u>	<u>\$ 1,925,211</u>	<u>\$ 19,424,097</u>

**CASH FLOWS FROM CAPITAL
AND RELATED FINANCING
ACTIVITIES:**

Lease payments received
Other revenue received
Principal payments on Certificates
of Participation
Interest paid
Other expenses
Proceeds of certificates of participation issue
Transfer from Solid Waste Financing
Project to Glen Helen Blockbuster Project
Certificate of Participation
Issuance Costs
Net Cash Provided By (Used
For) Capital and Related
Financing Activities

**CASH FLOWS FROM INVESTING
ACTIVITIES:**

Investment income
Proceeds from sale of investments
Purchase of investments
Net Cash Provided By (Used)
For Investing Activities

Increase (Decrease) in cash and cash
equivalents

**Cash and cash equivalents at
June 30, 2007**

**Cash and cash equivalents at
June 30, 2008**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1: DESCRIPTION OF THE CORPORATION AND ACCOUNTING POLICIES

The Inland Empire Public Facilities Corporation (Corporation) is a nonprofit public benefit corporation, formed on May 30, 1986, to serve the County of San Bernardino (County) by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, land, land improvements, and any other real or personal property for the benefit of residents of the County.

The Corporation's financial statements are presented on the accrual basis of accounting. The Corporation is deemed to be a component unit of the County. Upon termination of the trust and lease agreements, any remaining assets of the Corporation shall become the property of the County. All projects are presented as major proprietary funds.

The Corporation uses the Direct Financing Lease Method to record the lease of the projects to the County. Under this method, when a project is completed, the Corporation records a lease receivable (see Note 4) and the Capital Assets are carried on the books of the lessee (County).

The Corporation enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements, no amounts are recorded in the financial statements.

The Corporation treats all investments with original maturities of three months or less as cash equivalents.

Deferred charges, which consist of Certificate of Participation (COP) issuance costs, and COP premiums/discounts, are amortized over the life of the debt using the straight-line method.

The deferred loss on bond refunding represents the excess of the amount placed in escrow (reacquisition price) over the carrying amount of the refunded bonds and is amortized as a component of interest expense over the remaining life of the refunded bonds (i.e. the shorter of the remaining life of the refunded or refunding bonds).

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows are presented. GASB 34 requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1: DESCRIPTION OF THE CORPORATION AND ACCOUNTING POLICIES *(continued)*

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

NOTE 2: THE PROJECTS

Construction and Improvement Project. The Corporation issued Certificates of Participation dated January 15, 1992 in the amount of \$89,905,000. The Corporation applied the proceeds of the sale of the Certificates, together with other available funds, to provide for the defeasance of \$72,760,000 of the \$111,695,000 then outstanding Certificates of Participation originally delivered in 1986 (Prior Certificates). The Corporation issued Variable Certificates of Participation dated January 20, 1995 in the amount of \$40,400,000 (1995 County Center Refinancing Certificates). The proceeds from the sale of the 1995 County Center Refinancing Certificates were used to provide for the defeasance of the remaining outstanding Prior Certificates in the amount of \$36,675,000 and to provide for reimbursement in the amount of \$1,751,174 to the County of San Bernardino. The reimbursement was to finance capital projects within the County. The Corporation issued Certificates of Participation dated July 11, 1996 in the amount of \$39,600,000 (1996 County Center Refinancing Certificates). The proceeds from the sale of the 1996 Certificates were used to provide for the defeasance of the 1995 County Center Refinancing Certificates. The Corporation issued Certificates of Participation dated March 1, 2002 in the amount of \$68,100,000 (2002 Certificates). The Corporation applied the proceeds of the Certificates for the defeasance of the \$66,130,000 outstanding Certificates of Participation originally delivered in 1992.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2: THE PROJECTS *(continued)*

The Prior Certificates were delivered for a project with these three elements:

- a) The refunding of outstanding Certificates of the San Bernardino Building Authority for the construction of the County Public Government Center.
- b) The refunding of outstanding Certificates of the San Bernardino County Public Improvements Authority for the construction of the Foothill Law and Justice Center.
- c) The financing of certain improvements to the Chino Airport.

The County Government Center is a five-story office complex located at 385 North Arrowhead Avenue in San Bernardino. The Foothill Law and Justice Center is a four-story office and courtroom facility in the City of Rancho Cucamonga. Improvements to the Chino Airport include construction of four aircraft assembly buildings and appropriate site development. These facilities, known as the "Construction and Improvement Project," were leased to the County for lease payments which were designed in both time and amount to pay the principal and interest on the Certificates.

On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the issue of the 1996 County Center Refinancing Certificates. The amendment provided for the release of property leased and the substitution of other property owned by the County. Substituted property pledged by the

County as collateral for the 1996 Certificates consists of the Central Jail, Offices and Bindery, the Vehicle Services Garage, and the Coroner's Office.

The Foothill Law and Justice Center and the Victorville Law and Justice Center have been pledged by the County as collateral for the 2002 Certificates.

West Valley Detention Center Project: The Corporation issued Certificates of Participation dated May 1, 1992 in the amount of \$117,770,000 to provide for the defeasance of the \$104,745,996 outstanding Certificates of Participation which were delivered and executed in 1988. The 1988 Certificates of Participation were delivered to finance the construction of a detention center located in the City of Rancho Cucamonga and certain related facilities and equipment and acquisition of the site. In addition to providing for the defeasance, the Certificates of Participation were issued to provide for costs of additional improvements to the detention center in the amount of \$2,600,000, and to provide for reimbursement in the amount of \$8,980,336 to the County of San Bernardino. The reimbursement was for a portion of the costs relating to the acquisition of 4.13 acres of real property located in the City of San Bernardino together with a newly constructed office building situated thereon (Reimbursed Project).

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2: THE PROJECTS *(continued)*

The Corporation has entered into a lease agreement with San Bernardino County whereby the detention center, known as the "West Valley Detention Center," is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the Certificates. The Reimbursed Project is not subject to the lease agreement. On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the issue of the 1992 Certificates. The amendment provided for the release of property leased and the substitution of other property owned by the County. The Corporation issued Certificates of Participation dated October 25, 2001 in the amount of \$8,365,000 (2001 Series A) and \$42,075,000 (2001 Series B). The 2001 Series A Certificates were issued to provide funds to refund on a cross-over basis \$7,785,000 of the outstanding 1992 Certificates. The proceeds of the 2001 Series B Certificates were used to reimburse Bear, Stearns and Co., Inc. for funds advanced by it for the purchase of \$39,825,000 of the outstanding 1992 Certificates. The purchased Certificates were then cancelled. The Corporation issued Certificates of Participation dated August 6, 2002 in the amount of \$44,480,000 (2002 Series A) the proceeds of which were used to refund \$44,545,000 of the outstanding 1992 Certificates. Property pledged by the County as collateral for the 2001 and 2002 Certificates consists of portions of the West Valley Detention Center and the Courthouse and Annex located in the City of San Bernardino.

Medical Center Project. On November 4, 1991, the Board of Directors of the Corporation approved the overall financing program for the construction of the replacement County Medical Center. The project consisted of a hospital to be constructed on the site and hospital equipment. The overall financing plan for the replacement County Medical Center consists of the following phases:

1. Land acquisition financing:

The Corporation issued Certificates of Participation, Series A, dated November 1, 1991, in the amount of \$18,360,000. The proceeds from the sale of the "Series A" Certificates were used to acquire certain parcels of real property, which were used as the site of the hospital.

2. Preconstruction and first phase construction financing:

The Corporation issued Certificates of Participation, Series B, dated January 1, 1992, in the amount of \$246,100,000. The proceeds from the sale of the "Series B" Certificates were to be used to finance a portion of the costs of design, engineering, construction management and construction of the hospital, and to fund capitalized interest to August 1, 1999, and fund a reserve fund deposit.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2: THE PROJECTS *(continued)*

On March 2, 1994, the Corporation issued Certificates of Participation dated February 1, 1994 in the amount of \$283,245,000 (1994 Certificates). The proceeds from the sale of the 1994 Certificates were used, together with remaining funds from the issuance of Series A and Series B Certificates, to provide funds for defeasance of the Series A and Series B Certificates. In addition to providing for the defeasance, the proceeds from the sale of the 1994 Certificates were used, together with remaining funds from the issuance of Series A and Series B Certificates, to provide funds to finance a portion of the costs of design, engineering, construction management and construction of the hospital and to fund capitalized interest to August 1, 1999, and fund a reserve fund deposit.

3. Principal construction financing

On June 28, 1995, the Corporation issued Certificates of Participation dated June 1, 1995 in the amount of \$363,265,000 (1995 Certificates). The proceeds from the sale of the 1995 Certificates were used, together with some of the remaining funds from the issuance of the 1994 Certificates, to provide funds for the refunding of \$69,640,000 of the \$283,245,000 outstanding 1994 Certificates of Participation. In addition to providing for the refunding, the proceeds from the sale of the 1995 Certificates were used to provide funds to complete construction and to fund capitalized interest to and including October 1, 1999, and fund a reserve fund deposit.

On January 31, 1996, the Corporation issued Certificates of Participation dated January 1, 1996 in the amount of \$65,070,000 (1996 Certificates). The proceeds from the sale of the 1996 Certificates were used to provide for the defeasance of \$55,000,000 of the \$363,265,000 outstanding 1995 Certificates.

On October 22, 1998, the Corporation issued Certificates of Participation dated October 16, 1998 in the amount of \$176,510,000 (1998 Certificates). The proceeds from the sale of the 1998 Certificates were used to advance refund \$160,700,000 of the \$308,265,000 outstanding 1995 Certificates, to fund capitalized interest on the series 1998 Certificates to October 1, 1999, and to pay certain expenses of the transaction.

4. Major equipment acquisition financing

On September 16, 1997, the Corporation issued Certificates of Participation dated August 1, 1997 in the amount of \$121,095,000 (1997 Certificates). The proceeds from the sale of the 1997 Certificates were used to provide funds to finance the acquisition of equipment for the replacement San Bernardino County Medical Center and to fund Capitalized interest to and including August 1, 1999, and fund a reserve fund deposit.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2: THE PROJECTS *(continued)*

The acquisition and construction of the Project was carried out by the County as the agent of the Corporation pursuant to a Master Agency Agreement, dated as of February 1, 1994. The County has leased the Site to the Corporation pursuant to the Master Site Lease, dated as of February 1, 1994.

The Corporation has entered into a master lease agreement with the County whereby the project (i.e. the hospital) is leased to the County. The County is required under the master lease agreement to make aggregate lease payments which are designed in both time and amount to pay the principal and interest due with respect to the Series 1994 Certificates, the Series 1995 Certificates, the Series 1996 Certificates, the Series 1997 Certificates and the Series 1998 Certificates.

Glen Helen Blockbuster Project. The Corporation issued Certificates of Participation dated December 22, 1994 in the amount of \$7,380,000 (Series C Certificates), Certificates of Participation dated December 6, 1995 in the amount of \$16,510,000 (Series D Certificates) and Certificates of Participation dated December 6, 1995 in the amount of \$4,430,000 (Series E Certificates). The proceeds from the sale of Series C Certificates were used to finance the acquisition, construction, installation and equipping of an interchange at I-15 and Glen Helen Parkway and related roadwork. The proceeds from the sale of the Series D Certificates were used to provide for the defeasance of the outstanding \$14,625,000 Series A Certificates originally delivered in 1994 to finance the acquisition, construction, improvement and equipping of certain public improvements related to the Glen Helen Blockbuster Pavilion (Pavilion Improvements). The proceeds from the sale of the Series E Certificates were used to provide for the defeasance of the outstanding \$3,880,000 Series B Certificates originally delivered in 1994 to finance the acquisition, construction, improvement and equipping of certain improvements to the Glen Helen Park (Park Improvements).

The Corporation issued Certificates of Participation dated May 1, 2003 in the amounts of \$9,825,000 (Series 2003 A Certificates) and \$9,875,000 (Series 2003 B Certificates). The proceeds were used to prepay and refund the outstanding \$6,035,000 of the Series C Certificates, \$9,690,000 of the Series D Certificates and \$3,610,000 of the Series E Certificates. On May 1, 2003, the Corporation approved amendments to the previous Lease Agreements entered into in connection with the issues of Series C, Series D and Series E. The amendments provided for the release of property leased and the substitution of other property owned by the County. The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for the lease payments which are designed in both time and amount to pay the principal and interest on the Series 2003 A and Series 2003 B Certificates.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2: THE PROJECTS *(continued)*

The Corporation issued Certificates of Participation dated April 16, 2008 in the amounts of \$8,860,000 (Series 2008 A Certificates) and \$5,695,000 (Series 2008 B Certificates). The proceeds were used to prepay and refund the outstanding \$8,100,000 (Series 2003 A Certificates) and \$5,200,000 (Series 2003 B Certificates). The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for the lease payments which are designed in both time and amount to pay the principal and interest on the Series 2008 A and Series 2008 B Certificates. The Landfill is located along the western boundary of the City of Rialto, and currently serves the cities of Rialto, Fontana, Montclair, Ontario, Rancho Cucamonga and Upland, and the unincorporated western valley area of San Bernardino County.

Capital Improvement Refinancing Project: On June 26, 1996, the Corporation issued Certificates of Participation dated June 21, 1996 in the amount of \$9,200,000 (1996 Capital Improvement Refinancing Certificates). The proceeds from the sale of the 1996 Capital Improvement Refinancing Certificates were used to provide for the defeasance of \$13,125,000 in outstanding West Valley Detention Center/County Museum Certificates originally delivered in 1995 to finance the acquisition, construction, installation, and equipping of two dormitories at the West Valley Detention Center.

The Corporation has entered into a lease agreement whereby the Capital Improvement Refinancing Project is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the 1996 Capital Improvement Refinancing Certificates. On May 13, 1997, the Corporation approved amendments to the Lease Agreement entered into in connection with the 1996 Capital Improvements Refinancing Certificates. The amendments provided for the release of property leased and the substitution of other property owned by the County. On September 17, 2001, the Corporation approved additional amendments to the Lease Agreement. The amendments provided for the release of certain properties previously pledged. The property currently leased in connection with the 1996 Capital Improvement Refinancing Certificates is the Fontana Government Center.

Solid Waste Financing Project: The Corporation issued Certificates of Participation dated May 1, 2003 in the amount of \$93,875,000 (2003 B Solid Waste Financing Certificates). The proceeds were used to transfer funds to Inland Empire Solid Waste Financing Authority, a joint powers authority of San Bernardino County and San Bernardino County Flood Control District, which were used to refund \$92,120,000 of outstanding Certificates of Participation issued by the Inland Empire Solid Waste Financing Authority.

The Corporation issued Certificates of Participation dated April 16, 2008 in the amount of \$74,390,000 (Series 2008 B Certificates). The proceeds were used to prepay and refund the outstanding \$67,975,000 (Series 2003 B Certificates). The Corporation has entered into a lease agreement with the County whereby the Mid-Valley Landfill is leased to the County for the lease payments which are designed in both time and amount to pay the principal and interest on the Series 2008 B Certificates. The Landfill is located along the western boundary of the City of Rialto, and currently serves the cities of Rialto, Fontana, Montclair, Ontario, Rancho Cucamonga and Upland, and the unincorporated western valley area of San Bernardino County.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2: THE PROJECTS (continued)

Public Improvement Financing Project: The Corporation issued on October 29, 1997, Certificates of Participation dated October 1, 1997 in the amount of \$17,790,000 (Public Improvement Financing Certificates). The proceeds from the sale of the Public Improvement Financing Certificates were primarily used to finance the acquisition, construction, installation and equipping of certain improvements throughout the County consisting generally of (a) the retrofit of lighting and HVAC systems at various County facilities and the upgrade of the PCB ballasts and chiller for the Central Plant, (b) the acquisition of a building located in the City of Ontario to be used for child care services and (c) the construction of a new juvenile hall housing facility and administrative center adjacent to the West Valley Detention Center.

The Corporation has entered into a Lease Agreement whereby the Public Improvement Financing Project, which includes the West Valley Juvenile Detention Center, the Information Services Building, and the Ontario Preschool Building, is leased to the County for lease payments which are designed in both time and amount to pay the principal and interest on the Public Improvement Financing Certificates.

NOTE 3: CASH AND INVESTMENTS

Fiscal agents acting on behalf of the Corporation held all cash and investments from long-term debt issuances. In accordance with the terms of the trust agreements, cash and investments are segregated and restricted for specified purposes. The trustee banks for the corporation's projects are as follows:

<u>Project</u>	<u>Trustee</u>
Construction and Improvement Project	Bank of New York Mellon and Wells Fargo Bank, Corporate Trust Services
West Valley Detention Center Project	Bank of New York Mellon
Medical Center Project	Wells Fargo Bank, Corporate Trust Services
Glen Helen Blockbuster Project	Wells Fargo Bank, Corporate Trust Services
Capital Improvement Refinancing Project	Wells Fargo Bank, Corporate Trust Services
Solid Waste Financing Project	Wells Fargo Bank, Corporate Trust Services
Public Improvement Financing Project	Wells Fargo Bank, Corporate Trust Services

As of June 30, 2008, cash and investments consist of the following:

Statement of Net Assets:

Cash and Cash Equivalents	\$ 19,424,097
Investments	66,362,687
Total Cash and Investments	<u>\$ 85,786,784</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3: CASH AND INVESTMENTS *(continued)*

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the trust agreements, created in connection with the issuance of debt (see Note 5) rather than the general provisions of the California Government Code. Certificates of Participation indentures specify the types of securities in which proceeds may be invested as well as any related insurance, collateral, or minimum credit rating requirements. Although requirements may vary between debt issues, money market funds are all required to be investment grade. Guaranteed investment contracts are required to be acceptable to the municipal bond insurer. The fair value of investments is based on the valuation provided by trustee banks.

Interest Rate Risk

Interest rate risk is the measurement of how changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive its fair value is to changes in market interest rates. As a component unit of the County of San Bernardino which uses weighted average maturity to monitor its interest rate risk, the Corporation has elected weighted average maturity for its disclosure method.

As of June 30, 2008, the Corporation's investments, including cash equivalents, were as follows:

<u>Investments (Item Count)</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U. S. Treasury Bonds (2)	11/15/2022	\$ 23,863,886	14.38
Guaranteed Investment Contracts (4)	07/14/08 - 07/27/28	35,918,257	12.49
Federal National Mtg Assn Discount Note (1)	7/1/2008	6,580,544	0.01
Money Market Funds (4)	7/1/2008	19,402,734	0.00
Cash		21,363	0.00
Total Investments		<u>\$ 85,786,784</u>	

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Investments in any one issuer that represent 5 percent or more of total investments are shown below:

<u>Issuer - Guaranteed Investment Contracts</u>	<u>Fair Value</u>
FSA Capital Management Services LLC	\$ 12,689,979
Ixis Funding Corp.	12,109,500
MBIA Investment Management Corp.	11,118,779
Federal National Mtg Assn	6,580,544

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3: CASH AND INVESTMENTS *(continued)*

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker, dealer, or trustee) to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2008, the Corporation had investments held by Wells Fargo Bank where the underlying securities are not insured or registered in the name of the Corporation.

Investment Type	Trustee	Fair Value
U. S. Treasury Bonds	Wells Fargo	\$ 23,863,886
Federal National Mtg Assn Discount Note	Wells Fargo	6,580,544
		<u>\$ 30,444,430</u>

Credit Risk

The Corporation's investments in money market funds were rated Aaa by Moody's Investors Service. The companies with whom the Corporation has guaranteed investment contracts received Aa2 (FSA), Baa2 (MBIA) and Aaa (CDC) long-term senior debt ratings from Moody's. The Federal National Mortgage Association discount notes were rated Aaa.

NOTE 4: LEASE RECEIVABLE

The Corporation has entered into an agreement with the County whereby the Projects are leased to the County for lease payments that are equal to the debt service due on the Certificates of Participation. The leases are reported net of Unearned Interest Income which is recognized when received from the County.

The County may, pursuant to the lease agreement, abate the lease payments by the amount of investment interest income earned by the trustee in the lease payment and reserve accounts.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4: LEASE RECEIVABLE *(continued)*

The future minimum lease/installment payments to be received for each of the five succeeding fiscal years, and the aggregate thereafter are summarized as follows:

Description	2008-09	2009-10	2010-11
Construction and Improvement Project	\$ 9,778,110	\$ 8,886,578	\$ 9,027,640
West Valley Detention Center Project	9,060,658	9,051,020	9,043,020
Medical Center Project	56,464,721	39,964,530	40,013,270
Glen Helen Blockbuster Project	948,422	959,471	913,892
Capital Improvement Refinancing Project	391,298	381,227	377,537
Solid Waste Financing Project	8,077,664	8,048,151	8,389,213
Public Improvement Financing Project	1,417,530	1,421,415	1,417,350
	<u>\$ 86,138,403</u>	<u>\$ 68,712,392</u>	<u>\$ 69,181,922</u>

Description	2018-23	2023-28	2028-29
Construction and Improvement Project	\$ -	\$ -	\$ -
West Valley Detention Center Project	8,961,531	-	-
Medical Center Project	201,058,801	201,594,957	40,587,456
Glen Helen Blockbuster Project	6,515,919	1,303,948	-
Capital Improvement Refinancing Project	2,359,428	1,524,837	-
Solid Waste Financing Project	-	-	-
Public Improvement Financing Project	4,288,831	2,512,294	-
	<u>223,184,510</u>	<u>206,936,036</u>	<u>40,587,456</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4: LEASE RECEIVABLE (*continued*)

2011-12	2012-13	2013-2018	Description
\$ 9,027,200	\$ 9,210,280	\$ 27,306,897	Construction and Improvement Project
9,030,270	9,016,945	44,983,099	West Valley Detention Center Project
40,046,216	40,056,365	200,463,202	Medical Center Project
933,869	922,763	4,642,024	Glen Helen Blockbuster Project
373,847	370,158	2,184,839	Capital Improvement Refinancing Project
8,765,478	9,140,020	41,206,366	Solid Waste Financing Project
933,100	934,475	4,653,263	Public Improvement Financing Project
<u>\$ 69,109,980</u>	<u>\$ 69,651,006</u>	<u>\$ 325,439,690</u>	

Total Lease Payments	Unearned Interest	Lease Receivable	Description
\$ 73,236,705	\$ (23,979,565)	\$ 49,257,140	Construction and Improvement Project
99,146,543	(32,673,885)	66,472,658	West Valley Detention Center Project
860,249,518	(401,352,583)	458,896,935	Medical Center Project
17,140,308	(6,613,828)	10,526,480	Glen Helen Blockbuster Project
7,963,171	(2,542,673)	5,420,498	Capital Improvement Refinancing Project
83,626,892	(16,501,362)	67,125,530	Solid Waste Financing Project
17,578,258	(5,648,258)	11,930,000	Public Improvement Financing Project
<u>1,158,941,395</u>	<u>(489,312,154)</u>	<u>669,629,241</u>	

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT

The following is a summary of changes in the Certificates of Participation for the fiscal year ended June 30, 2008:

Description	July 1, 2007	Additions	Reductions	June 30, 2008	Due Within One Year
Construction and Improvement Project					
1996 County Center Refinancing	\$ 22,400,000	\$ -	\$ 2,400,000	\$ 20,000,000	\$ 3,000,000
Regular Certificates (Series 2002)	51,705,000	-	4,435,000	47,270,000	4,435,000
West Valley Detention Center Project					
2001 Series A	8,180,000	-	545,000	7,635,000	565,000
2001 Series B	29,800,000	-	4,495,000	25,305,000	4,650,000
2002 Series A	43,620,000	-	265,000	43,355,000	280,000
Medical Center Project					
Series 1994	181,890,000	-	3,090,000	178,800,000	3,280,000
Series 1995	110,740,000	-	8,485,000	102,255,000	9,045,000
Series 1996	65,070,000	-	-	65,070,000	60,000
Series 1997	32,015,000	-	15,605,000	16,410,000	16,410,000
Series 1998	176,510,000	-	-	176,510,000	1,000,000
Glen Helen Blockbuster Project					
Series 2003 A	8,475,000	-	8,475,000	-	-
Series 2003 B	5,325,000	-	5,325,000	-	-
Glen Helen Blockbuster Project					
Series 2008 A	-	8,860,000	-	8,860,000	580,000
Series 2008 B	-	5,695,000	-	5,695,000	130,000
Capital Improvement Refinancing Project	7,400,000	-	300,000	7,100,000	300,000
Solid Waste Financing Project (2003 B)	73,725,000	-	73,725,000	-	-
Solid Waste Financing Project (2008 B)	-	74,390,000	-	74,390,000	6,430,000
Public Improvement Financing Project	12,720,000	-	790,000	11,930,000	825,000
	<u>\$829,575,000</u>	<u>\$88,945,000</u>	<u>\$127,935,000</u>	<u>\$790,585,000</u>	<u>\$ 50,990,000</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT (continued)

The annual requirements to amortize all long-term debt outstanding June 30, 2008, including interest payments of \$ 373,652,727 over the life of the debt, are summarized as follows:

Description	2008-09	2009-10	2010-11
Construction and Improvement Project			
1996 County Center Refinancing*	\$ 3,237,310	\$ 2,393,083	\$ 2,460,000
Regular Certificates (Series 2002)	6,397,869	6,447,800	6,399,000
West Valley Detention Center Project			
2001 Series A	874,645	877,958	873,957
2001 Series B	5,642,875	5,632,750	5,627,900
2002 Series A	2,543,138	2,540,312	2,541,163
Medical Center Project			
Series 1994	12,888,100	12,885,300	12,772,725
Series 1995	15,070,725	15,074,475	15,186,425
Series 1996	3,319,912	3,574,806	3,572,350
Series 1997	16,812,045	-	-
Series 1998	8,373,939	8,429,949	8,481,770
Glen Helen Blockbuster Project			
Series 2008 A*	687,708	729,429	705,689
Series 2008 B*	260,714	230,042	208,203
Capital Improvement Refinancing Project*	391,298	381,227	377,537
Solid Waste Financing Project*	8,077,664	8,048,151	8,389,213
Public Improvement Financing Project	1,417,530	1,421,415	1,417,350
	<u>\$ 85,995,472</u>	<u>\$ 68,666,697</u>	<u>\$ 69,013,282</u>

Description	2013-18	2018-23	2023-28
Construction and Improvement Project			
1996 County Center Refinancing*	\$ 7,696,615	\$ -	\$ -
Regular Certificates (Series 2002)	25,573,000	-	-
West Valley Detention Center Project			
2001 Series A	4,348,586	869,550	-
2001 Series B	-	-	-
2002 Series A	40,634,513	8,091,981	-
Medical Center Project			
Series 1994	63,836,837	83,399,014	81,417,869
Series 1995	47,026,499	39,418,450	-
Series 1996	17,863,925	17,863,000	46,378,375
Series 1997	-	-	-
Series 1998	71,735,941	60,378,337	73,798,713
Glen Helen Blockbuster Project			
Series 2008 A*	3,207,898	2,600,093	417,797
Series 2008 B*	1,434,126	3,915,826	886,151
Capital Improvement Refinancing Project*	2,184,839	2,359,428	1,524,837
Solid Waste Financing Project*	41,206,366	-	-
Public Improvement Financing Project	4,653,263	4,288,831	2,512,294
	<u>\$ 331,402,408</u>	<u>\$ 223,184,510</u>	<u>\$ 206,936,036</u>

* Interest is paid monthly, computed at a weekly variable interest rate. Interest is based on the June 30, 2008 interest rate.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT (continued)

2011-12	2012-13	Description
		Construction and Improvement Project
\$ 2,529,280	\$ 2,597,280	1996 County Center Refinancing*
6,437,700	6,364,100	Regular Certificates (Series 2002)
		West Valley Detention Center Project
874,058	868,257	2001 Series A
5,610,800	5,604,900	2001 Series B
2,545,412	2,543,788	2002 Series A
		Medical Center Project
12,775,738	12,777,200	Series 1994
7,432,588	7,434,513	Series 1995
3,573,975	3,574,550	Series 1996
-	-	Series 1997
16,263,915	16,270,102	Series 1998
		Glen Helen Blockbuster Project
702,541	713,837	Series 2008 A*
231,328	208,926	Series 2008 B*
373,847	370,158	Capital Improvement Refinancing Project*
8,765,478	9,140,020	Solid Waste Financing Project*
933,100	934,475	Public Improvement Financing Project
<u>\$ 69,049,760</u>	<u>\$ 69,402,106</u>	

2028-29	Total	Description
		Construction and Improvement Project
\$ -	\$ 20,913,568	1996 County Center Refinancing*
-	57,619,469	Regular Certificates (Series 2002)
		West Valley Detention Center Project
-	9,587,011	2001 Series A
-	28,119,225	2001 Series B
-	61,440,307	2002 Series A
		Medical Center Project
14,675,456	307,428,239	Series 1994
-	146,643,675	Series 1995
25,912,000	125,632,893	Series 1996
-	16,812,045	Series 1997
-	263,732,666	Series 1998
		Glen Helen Blockbuster Project
-	9,764,992	Series 2008 A*
-	7,375,316	Series 2008 B*
-	7,963,171	Capital Improvement Refinancing Project*
-	83,626,892	Solid Waste Financing Project*
-	17,578,258	Public Improvement Financing Project
<u>\$ 40,587,456</u>	<u>\$ 1,164,237,727</u>	

Note: Principal and interest for each fiscal year is displayed in the supplementary information.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT (continued)

Source of Payment: The ability of the Corporation to pay its obligation is dependent upon receipt of payments from the County of San Bernardino in accordance with various Lease Agreements. Under the Lease Agreements the County is required to make lease payments in each year, from any source of legally available funds, in an amount sufficient to pay the annual principal and interest with respect to the Certificates of Participation. The obligation of the County to make lease payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation, or for which the County has levied or pledged any form of taxation. Neither the Certificates, nor the obligation of the County to make such lease payments, constitutes any indebtedness of the County.

Construction and Improvement Project: The Corporation issued Certificates of Participation in the amount of \$68,100,000, consisting of \$61,575,000 Series 2002A Certificates and \$6,525,000 Taxable Series 2002A-T the "2002 Certificates," dated March 1, 2002. Interest rates range from 3.00 percent to 5.00 percent with July 1, 2016 final maturity date. The 2002 Certificates are not subject to optional prepayment prior to maturity.

On July 11, 1996, the Corporation issued "Variable Rate Demand" Certificates in the amount of \$39,600,000 due July 1, 2015. Interest on the Variable Rate Demand Certificates is payable at a variable weekly interest rate.

The Variable Rate Demand Certificates are subject to optional redemption, while bearing variable interest rates, on any interest payment date. During any Long-Term Interest Rate Period, the Certificates are subject to redemption in whole at any time or in part, on any interest payment date, during the periods specified below, at the premiums set forth below plus accrued interest, if any, to the redemption date:

Length of Long-Term Interest Rate Period (expressed in years)	Redemption Premium
Greater than 15	After 10 years at 2%, declining by 1% each year to 0%
Less than or equal to 15 and greater than 10	After 7 years at 2%, declining by 1% each year to 0%
Less than or equal to 10 and greater than 7	After 5 years at 2%, declining by 1% each year to 0%
Less than or equal to 7 and greater than 4	After 3 years at 1%, declining by 1% after a year to 0%
Less than or equal to 4	After 2 years at 0%

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT (continued)

West Valley Detention Center Project. On October 25, 2001, the Corporation issued "2001 Series A" Certificates of Participation in the amount of \$8,365,000 and "2001 Series B" Certificates of Participation in the amount of \$42,075,000. 2001 Series A Certificates bear interest rates from 4.00 percent to 4.60 percent. The 2001 Series B Certificates bear interest rates from 3.50 percent to 4.00 percent.

On August 6, 2002 the Corporation issued "2002 Series A" Certificates of Participation in the amount of \$44,480,000 which bear interest rates from 4.50 percent to 5.25 percent.

The 2001 Series A, 2001 Series B and 2002 Series A Certificates are subject to optional prepayment prior to maturity on or after November 1, 2011 at the option of the Corporation, as a whole or in part on any interest payment date, at the following premiums, plus accrued but unpaid interest to the prepayment date:

<u>Prepayment Period</u>	<u>Premium</u>
November 1, 2011 through October 31, 2012	2%
November 1, 2012 through October 31, 2013	1%
November 1 2013, and thereafter	0%

Medical Center Project. The Medical Center Series 1994 Certificates of Participation were issued by the Corporation dated February 1, 1994, in the amount of \$283,245,000, with interest rates from 4.60 percent to 7.00 percent.

The Series 1994 Certificates maturing on August 1, 2019, August 1, 2024, August 1, 2026, and August 1, 2028, are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2007, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2007 and thereafter	0%

The Series 1994 Certificates maturing through August 1, 2009, August 1, 2017, August 1, 2020, and August 1, 2022, are not subject to optional redemption prior to maturity.

The Medical Center Series 1995 Certificates of Participation were issued by the Corporation dated June 1, 1995, in the amount of \$363,265,000, with interest rates from 4.80 percent to 7.00 percent.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT *(continued)*

The Series 1995 Certificates maturing on August 1, 2022, are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2006, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2007 and thereafter	0%

The Series 1995 Certificates maturing on and prior to August 1, 2010 and on August 1, 2017 are not subject to optional redemption prior to maturity.

The Medical Center Series 1996 Certificates of Participation were issued by the Corporation dated January 1, 1996, in the amount of \$65,070,000, with interest rates from 5 percent to 5.25 percent.

The Series 1996 Certificates are subject to optional redemption in whole or in part on any date in such order of maturity as the Corporation shall determine and by lot within a maturity, on or after August 1, 2006, at the following premiums, plus interest accrued to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
August 1, 2007 to July 31, 2008	1%
August 1, 2008 and thereafter	0%

The Medical Center Series 1997 Certificates of Participation were issued by the Corporation dated September 1, 1997, in the amount of \$121,095,000, with interest rates from 4.30% to 5.50 percent.

The Series 1997 Certificates are not subject to optional redemption prior to maturity.

The Medical Center Series 1998 Certificates of Participation dated October 22, 1998 were issued by the Corporation in the amount of \$176,510,000. Interest with respect to the Certificates is payable at an adjustable weekly interest rate which may be converted to a fixed interest rate at the option of the Corporation. The Corporation entered into an interest rate swap agreement with Merrill Lynch Capital Services, Inc. which provides that the Corporation will pay a fixed rate of 4.1895% to the Swap Provider on a notional amount equal to the principal amount of the Series 1998 Certificates and the Swap Provider will pay interest to the Corporation at a variable rate of interest on the notional amount, such payments to be made on a net basis (see Note 6).

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT (*continued*)

The Series 1998 Certificates are subject to optional redemption prior to their maturity at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption as follows:

- (a) Prior to the Conversion Date to fixed interest rate, at a redemption price equal to the principal amount called for redemption without premium.
- (b) After the Conversion Date, at a redemption price of 100% of the principal amount plus a premium to be determined on or prior to the Conversion Date.

Glen Helen Blockbuster Project: On April 16, 2008 the Corporation issued Certificates of Participation in the amount of \$14,555,000, consisting of \$8,860,000 (Series 2008 A Certificates) and \$5,695,000 (Series 2008 B Certificates) with a March 1, 2024 final maturity date. Interest with respect to the Series 2008 A and Series 2008 B Certificates is initially payable at an adjustable weekly rate mode and is due on the first business day of each month beginning on May 1, 2008. The variable interest rate at June 30, 2008 was 1.35% for the Series 2008 A Certificates and 2.48% for the Series 2008 B Certificates.

At the option of the Corporation, all or part of either Series of Certificates may be converted to bear interest at a Daily Rate, Extended Rate, or a Fixed Rate. On the Conversion Date, such Certificates shall be subject to mandatory tender for purchase at the applicable purchase price on effective date of the New Mode equal to 100% of the principal amount thereof, plus accrued interest.

The Series 2008 A and Series 2008 B Certificates are also subject to mandatory prepayment prior to their stated maturity in part from mandatory sinking account payments established pursuant to the Trust Agreement on any March 1 or September 1 on or after September 1, 2008, at the principal amount thereof together with interest accrued thereon to the date fixed for payment, without premium.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT (continued)

Capital Improvement Refinancing Project. The 1996 Capital Improvement Refinancing Certificates of Participation were issued by the Corporation dated June 21, 1996, in the amount of \$9,200,000. Interest with respect to the Certificates is payable at a variable weekly interest rate which may be converted to a fixed interest rate at the option of the Corporation.

The 1996 Certificates are subject to optional redemption, while bearing variable interest rates, on any interest payment date. From and after the conversion date (to fixed interest rate), the Certificates are subject to redemption in whole at any time or in part on any interest payment date, with prior consent of the Letter of Credit Bank, during the periods specified below, at the premiums set forth below plus accrued interest, if any, to the redemption date:

<u>Period to Maturity (in years)</u>	<u>Redemption Dates and Premiums</u>
Greater than 15	On or after the first March 1 following the ninth anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.
Greater than 10	On or after the first March 1 following the seventh anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.
Greater than 5	On or after the first March 1 following the fourth anniversary of the conversion date, at redemption premium of 2 percent, declining one-half percent on each anniversary of such March 1, until it reaches zero percent.

Solid Waste Financing Project. On April 16, 2008 the Corporation issued Certificates of Participation in the amount of \$74,390,000 (the "Series 2008 B Certificates") with March 1, 2017 final maturity date. The descriptions pertaining to Series 2008 B Certificates (Glen Helen Blockbuster Project) are applicable to these Series 2008 B as they were issued together as the 2008 Refunding Certificates, Series B. The variable interest rate at June 30, 2008 was 2.48% for the Series 2008 B Certificates.

Public Improvement Financing Project. The Public Improvement Financing Certificates were issued by the Corporation dated October 1, 1997, in the amount of \$17,790,000, with interest rates from 3.85 percent to 5 percent.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5: LONG-TERM DEBT *(continued)*

The Certificates maturing on or before October 1, 2007, are not subject to optional redemption prior to maturity. The Certificates maturing on and after October 1, 2008, are subject to redemption in whole or in part on any date on or after October 1, 2007, at the principal amount with respect thereto, together with the premium set forth below, together with accrued interest unpaid with respect thereto to the date fixed for redemption, from the proceeds of optional prepayments of Lease Payments made by the County pursuant to the Lease Agreement:

<u>Redemption Dates</u>	<u>Premium</u>
October 1, 2007 through September 30, 2008	2%
October 1, 2008 through September 30, 2009	1%
October 1, 2009 and thereafter	0%

NOTE 6: INTEREST RATE SWAP

Objective of the interest rate swap. As a means to lower financing costs, and to reduce the risks to the Corporation associated with the fluctuation in the market interest rates, the Corporation entered into an interest rate swap in connection with the Medical Center Series 1998 Certificates of Participation (Series 1998 Certificates) in the amount of \$176,510,000. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 4.1895 percent.

Terms. The Series 1998 Certificates and the related agreement mature on August 1, 2026, and the swap's notional amount of \$176,510,000 matches the \$176,510,000 variable-rate Series 1998 Certificates. The swap was effective at the same time the Series 1998 Certificates were issued on October 22, 1998. Starting in fiscal year 2008-09, the notional value of the swap and the principal amount of the associated debt decline. As of August 1, 2005 the Corporation paid Merrill Lynch a fixed payment of 4.1895 percent and receives from Merrill Lynch a variable payment computed as 73 percent of the monthly London Interbank Offered Rate (LIBOR).

Fair Value. Because the LIBOR rate is at a very low level at June 30, 2008, the swap negative fair value has increased to \$(12,636,984) as of June 30, 2008. Because the coupons on the variable-rate Series 1998 Certificates adjust to changing interest rates, the Series 1998 Certificates do not have a corresponding fair value increase. The fair value was the quoted market price from Merrill Lynch at June 30, 2008.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6: INTEREST RATE SWAP (continued)

Credit Risk. The credit risk is the possibility that the counterparty will not perform certain obligations under the swap, including payment of the positive fair value or regularly scheduled payments. The swap had a negative fair value as of June 30, 2008, and the Corporation's payment to the counterparty exceeded the payment from the counterparty as of February 1, 2008. The swap counterparty was rated A2 by Moody's and A by Standard & Poor's as of June 30, 2008. The swap agreement specifies that if the long-term senior unsecured debt rating of Merrill Lynch & Co. is withdrawn, suspended or falls below A- (Standard & Poor's) or A3 (Moody's), the Corporation and Merrill Lynch must execute a collateral agreement within 30 days or the Corporation may terminate the swap agreement. The Corporation may also terminate the swap agreement if the long-term senior unsecured debt rating of Merrill Lynch & Co. is withdrawn, suspended or falls below BBB+ (Standard & Poor's) and Baa1 (Moody's).

Basis Risk. The swap exposes the Corporation to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the Series 1998 Certificates. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2008, the BMA rate was 1.55 percent, the actual variable interest rate was 8.25 percent, and 73 percent of LIBOR was 1.80 percent. The Corporation is in the process of restructuring/refinancing this interest rate swap.

Termination Risk. The Corporation or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the Corporation if Merrill Lynch credit quality rating falls below A- as issued by Standard & Poor or A3 by Moody's. If the swap is terminated, the variable-rate Series 1998 Certificates would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Corporation would be liable to Merrill Lynch for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of June 30, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate Series 1998 Certificates interest payments and net swap payments will vary.

Fiscal Year	Variable Rate Bonds		Interest Rate	
	Principal	Interest	Swaps, Net	Total
2008-09	\$ 1,000,000	\$ 14,520,825	\$ 4,209,939	\$ 19,730,764
2009-10	1,100,000	14,434,200	4,184,825	19,719,025
2010-11	1,200,000	14,339,325	4,157,318	19,696,643
2011-12	9,200,000	13,910,325	4,032,940	27,143,265
2012-13	9,600,000	13,134,825	3,808,104	26,542,929
2013-27	154,410,000	101,420,138	29,404,157	285,234,295
	<u>\$ 176,510,000</u>	<u>\$ 171,759,638</u>	<u>\$ 49,797,283</u>	<u>\$ 398,066,921</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 7: PRIOR YEARS' DEFEASANCE OF DEBT

In the prior years, the Corporation defeased certain Certificates of Participation by placing proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the Certificates of Participation. Accordingly, the trust account assets and liability for the defeased certificates are not included in the Corporation's financial statements. At June 30, 2008, Certificates of Participation outstanding considered defeased are as follows:

<u>Defeased Debt</u>	<u>Amount</u>	<u>Refunded By</u>
1992 Medical Center	\$ 61,070,000	1994 Medical Center

NOTE 8: ARBITRAGE PAYABLE

The exclusion, under Section 103(a) of the Internal Revenue Code of 1986, from gross income for federal income tax purposes of the interest component of Lease Payments (and the interest payable with respect to the Certificates) is based on compliance with certain requirements of the Code. Included among such requirements of Section 148(f) of the Code is that certain excess investment earnings be rebated to the federal government.

Rebatable arbitrage (if any) is required to be paid to the federal government following the end of each period of five bond years during the term of the Lease Agreement (and Certificates of Participation). As of June 30, 2008, the estimated arbitrage payable, relating to the Medical Center Project, is \$530,517.

NOTE 9: NET ASSETS/DEFICITS

The net assets/deficits were caused by timing differences in recognition of revenue and expenses. Due to refunding of certain debt issues, costs, which otherwise would have been deferred, were accelerated into expenses.

West Valley Detention Center Project: The deficit was caused by two debt refunding issues, an operating transfer and a timing difference in the expense of the interest of the 1988 Capital Appreciation Certificates and the associated lease revenue.

The first debt refunding involved an \$8.8 million loss on refunding during 1991-92. During this time, 1988 Current Interest Certificates and 1988 Capital Appreciation Certificates were refunded.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 9: NET ASSETS/DEFICITS (*continued*)

The second debt refunding involved a \$2 million loss on refunding during 2002-03. During this time, 1992 Series Certificates were refunded.

The loss on refunding was composed of the difference in the amount placed in the escrow for redemption of the Certificates and the amount of Certificates removed from the Corporation's accounting records, write-offs of Certificates issuance costs, write-offs of discounts on Certificates, and the unappreciated balance of the Capital Appreciation Certificates.

Capital Improvement Refinancing Project: The deficit was caused by a timing difference in recognition of lease interest income and amortization of costs of issuance on Certificates and deferred amount on refinancing.

NOTE 10: REFUNDED DEBT

Glen Helen Blockbuster Fund:

The proceeds from the issuance \$8,860,000 of the Series 2008 A and \$5,695,000 of the Series 2008 B Certificates of Participation were used as follows:

Sources:	
Principal amount of Certificates	<u>\$ 14,555,000</u>
Uses:	
Issuance costs	\$ 45,282
Debt Service Reserve Fund	1,093,288
Escrow Fund for Additional Issuance Costs	69,324
Contingency Fund	7,462
Interest	39,644
Funds available for refunding	<u>13,300,000</u>
	<u>\$ 14,555,000</u>

The funds available for refunding were used to pay outstanding principal plus accrued interest of \$8,104,135 on the outstanding "Series A" Certificates issued in 2003, and outstanding principal plus accrued interest of \$5,219,138 on the outstanding "Series B" Certificates issued in 2003.

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 10: REFUNDED DEBT (continued)

The defeasance resulted in a loss of \$2,866,352, which consists of the following:

Amount placed in escrow for refunding	\$ 13,300,000
Less: Outstanding principal of Prior Certificates of Participation	(13,300,000)
Add: Accrued Interest Paid on Prior Certificates of Participation	23,273
Outstanding Prior Certificates Deferred Issuance costs	280,173
Outstanding Prior Certificates Deferred Amount on Refunding	<u>2,562,906</u>
Deferred Amount on Refunding	<u>\$ 2,866,352</u>

The Corporation will amortize the loss over the period of maturity of the 2008 Series A & B Certificates.

As a result of the advance refunding, the Corporation has potentially reduced its debt requirements by \$470,253. This results in an economic gain (difference between the present value of debt service payments in the old and new debt) of \$296,302.

Solid Waste Refunding Project Fund:

The proceeds from the issuance of \$74,390,000 of the 2008 Series B Certificates of Participation were used as follows:

Sources:	
Principal amount of Certificates	<u>\$ 74,390,000</u>
Uses:	
Issuance costs	\$ 231,354
Debt Service Reserve Fund	5,587,750
Escrow Fund for Additional Issuance Costs	354,313
Contingency Fund	731
Interest	240,852
Funds available for refunding	<u>67,975,000</u>
	<u>\$ 74,390,000</u>

INLAND EMPIRE PUBLIC FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 10: REFUNDED DEBT (continued)

The funds available for refunding were used to pay outstanding principal and accrued interest of \$68,225,178 on the outstanding "Series B" Certificates issued in 2003.

The defeasance resulted in a loss of \$1,358,901, which consists of the following:

Amount placed in escrow for refunding	\$ 67,975,000
Less: Outstanding principal of Prior Certificates of Participation	(67,975,000)
Add: Accrued Interest Paid on Prior Certificates of Participation	250,178
Outstanding Prior Certificates Deferred Issuance costs	<u>1,108,723</u>
Deferred Amount on Refunding	<u>\$ 1,358,901</u>

The Corporation will amortize the loss over the period of maturity of the 2008 Series B Certificates.

As a result of the advance refunding, the Corporation has potentially increased its debt requirements by \$1,173,318. This results in an economic gain (difference between the present value of debt service payments in the old and new debt) of \$628,453.

NOTE 11: SUBSEQUENT EVENTS

The investment agreement with IXIS Funding Corporation for the 1997 County Medical Center reserve fund terminated as scheduled on July 14, 2008. All monies, including accrued interest, were delivered to the trustee as scheduled.

The investment agreement with MBIA Inc. for the 1997 Public Improvement reserve fund was terminated by MBIA Inc. as a result of a downgrade of the bond insurer (MBIA). All monies, including accrued interest, were returned to the trustee on July 9, 2008.

The agreement with Lehman Bros. Special Financing Inc. (Lehman) for the 2002 Justice Center/Airport reserve fund requires Lehman to deliver securities to the trustee periodically at a guaranteed rate of 4.56%. The most recent delivery occurred on July 1, 2008. On September 17, 2008, the County elected to terminate the agreement, pursuant to applicable agreement provisions, as a result of the downgrade of Lehman Bros. Holdings. Under the terms of the agreement, Lehman now owes the County a termination payment in an amount not yet determined. The County expresses no opinion on its ability to collect this termination payment in light of the recent bankruptcy filing of Lehman Bros. Inc.

THIS PAGE LEFT INTENTIONALLY BLANK

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

**CONSTRUCTION AND IMPROVEMENT PROJECT
1996 COUNTY CENTER REFINANCING**

<u>Fiscal Year</u>	<u>Total Payment</u>
2008-09	\$ 3,237,310
2009-10	2,391,778
2010-11	2,489,440
2011-12	2,560,000
2012-13	2,629,280
2013-14	2,697,280
2014-15	2,564,000
2015-16	2,500,617
	<u>\$ 21,069,705</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

**CONSTRUCTION AND IMPROVEMENT PROJECT
SERIES 2002**

<u>Fiscal Year</u>	<u>Due December 15</u>	<u>Due June 15</u>	<u>Total Payment</u>
2008-09	\$ 945,400	\$ 5,595,400	\$ 6,540,800
2009-10	852,400	5,642,400	6,494,800
2010-11	756,600	5,781,600	6,538,200
2011-12	656,100	5,811,100	6,467,200
2012-13	553,000	6,028,000	6,581,000
2013-14	443,500	6,028,500	6,472,000
2014-15	303,875	6,253,875	6,557,750
2015-16	155,125	6,360,125	6,515,250
	<u>\$ 4,666,000</u>	<u>\$ 47,501,000</u>	<u>\$ 52,167,000</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES A

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2008-09	\$ 724,766	\$ 149,879	\$ 874,645
2009-10	739,879	138,079	877,958
2010-11	748,078	125,879	873,957
2011-12	760,879	113,179	874,058
2012-13	768,178	100,079	868,257
2013-14	785,079	86,036	871,115
2014-15	801,036	70,842	871,878
2015-16	815,843	54,825	870,668
2016-17	829,825	37,775	867,600
2017-18	847,775	19,550	867,325
2018-19	869,550	-	869,550
	<u>\$ 8,690,888</u>	<u>\$ 896,123</u>	<u>\$ 9,587,011</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES B

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2008-09	\$ 5,187,125	\$ 455,750	\$ 5,642,875
2009-10	5,295,750	337,000	5,632,750
2010-11	5,392,000	235,900	5,627,900
2011-12	5,500,900	109,900	5,610,800
2012-13	5,604,900	-	5,604,900
	<u>\$ 26,980,675</u>	<u>\$ 1,138,550</u>	<u>\$ 28,119,225</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

WEST VALLEY DETENTION CENTER PROJECT – 2002 SERIES A

<u>Fiscal Year</u>	<u>Due November 1</u>	<u>Due May 1</u>	<u>Total</u>
2008-09	\$ 1,414,719	\$ 1,128,419	\$ 2,543,138
2009-10	1,418,418	1,121,894	2,540,312
2010-11	1,426,894	1,114,269	2,541,163
2011-12	1,439,269	1,106,143	2,545,412
2012-13	1,446,144	1,097,644	2,543,788
2013-14	7,212,644	937,125	8,149,769
2014-15	7,367,125	768,338	8,135,463
2015-16	7,533,338	590,756	8,124,094
2016-17	7,715,756	403,725	8,119,481
2017-18	7,898,725	206,981	8,105,706
2018-19	8,091,981	-	8,091,981
	<u>\$ 52,965,013</u>	<u>\$ 8,475,294</u>	<u>\$ 61,440,307</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1994

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2008-09	\$ 8,133,250	\$ 4,754,850	\$ 12,888,100
2009-10	8,234,850	4,650,450	12,885,300
2010-11	8,220,450	4,552,275	12,772,725
2011-12	8,327,275	4,448,463	12,775,738
2012-13	8,438,462	4,338,738	12,777,200
2013-14	8,543,737	4,223,100	12,766,837
2014-15	8,668,100	4,100,862	12,768,962
2015-16	8,795,862	3,971,750	12,767,612
2016-17	8,936,750	3,835,214	12,771,964
2017-18	9,070,212	3,691,250	12,761,462
2018-19	11,156,250	3,485,962	14,642,212
2019-20	11,365,963	3,269,263	14,635,226
2020-21	15,449,263	2,842,962	18,292,225
2021-22	15,412,963	2,497,288	17,910,251
2022-23	15,787,287	2,131,813	17,919,100
2023-24	16,221,813	1,744,337	17,966,150
2024-25	16,634,338	1,334,862	17,969,200
2025-26	14,394,862	1,008,362	15,403,224
2026-27	14,733,363	665,238	15,398,601
2027-28	14,340,238	340,456	14,680,694
2028-29	14,675,456	-	14,675,456
	<u>\$ 245,540,744</u>	<u>\$ 61,887,495</u>	<u>\$ 307,428,239</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1995

Fiscal Year	Due July 15	Due January 15	Total
2008-09	\$ 12,216,150	\$ 2,854,575	\$ 15,070,725
2009-10	12,559,575	2,514,900	15,074,475
2010-11	13,039,900	2,146,525	15,186,425
2011-12	5,391,525	2,041,063	7,432,588
2012-13	5,506,063	1,928,450	7,434,513
2013-14	5,633,450	1,808,038	7,441,488
2014-15	5,763,037	1,679,500	7,442,537
2015-16	5,904,500	1,542,187	7,446,687
2016-17	11,087,187	1,257,175	12,344,362
2017-18	11,397,175	954,250	12,351,425
2018-19	8,104,250	757,625	8,861,875
2019-20	8,317,625	549,725	8,867,350
2020-21	6,729,725	379,775	7,109,500
2021-22	7,099,775	194,975	7,294,750
2022-23	7,284,975	-	7,284,975
	<u>\$ 126,034,912</u>	<u>\$ 20,608,763</u>	<u>\$ 146,643,675</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1996

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2008-09	\$ 1,690,744	\$ 1,629,168	\$ 3,319,912
2009-10	1,954,169	1,620,637	3,574,806
2010-11	1,960,638	1,611,712	3,572,350
2011-12	1,971,713	1,602,262	3,573,975
2012-13	1,982,262	1,592,288	3,574,550
2013-14	1,992,287	1,581,788	3,574,075
2014-15	2,001,787	1,570,763	3,572,550
2015-16	2,015,762	1,559,082	3,574,844
2016-17	2,024,081	1,546,875	3,570,956
2017-18	2,036,875	1,534,625	3,571,500
2018-19	2,049,625	1,521,750	3,571,375
2019-20	2,066,750	1,508,125	3,574,875
2020-21	2,078,125	1,493,875	3,572,000
2021-22	2,093,875	1,478,875	3,572,750
2022-23	2,108,875	1,463,125	3,572,000
2023-24	2,128,125	1,446,500	3,574,625
2024-25	2,141,500	1,429,125	3,570,625
2025-26	2,164,125	1,410,750	3,574,875
2026-27	8,530,750	1,232,750	9,763,500
2027-28	25,262,750	632,000	25,894,750
2028-29	25,912,000	-	25,912,000
	<u>\$ 96,166,818</u>	<u>\$ 29,466,075</u>	<u>\$ 125,632,893</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1997

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2008-09	\$ 16,812,045	\$ -	\$ 16,812,045
	<u>\$ 16,812,045</u>	<u>\$ -</u>	<u>\$ 16,812,045</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1998

<u>Fiscal Year</u>	<u>Due July 15</u>	<u>Due January 15</u>	<u>Total</u>
2008-09	\$ 4,697,443	\$ 3,676,496	\$ 8,373,939
2009-10	4,776,496	3,653,453	8,429,949
2010-11	4,853,453	3,628,317	8,481,770
2011-12	12,828,316	3,435,599	16,263,915
2012-13	13,035,599	3,234,503	16,270,102
2013-14	13,234,504	3,025,028	16,259,532
2014-15	13,525,029	2,805,080	16,330,109
2015-16	13,705,080	2,576,752	16,281,832
2016-17	8,976,752	2,442,688	11,419,440
2017-18	9,142,688	2,302,340	11,445,028
2018-19	11,002,340	2,120,097	13,122,437
2019-20	11,220,096	1,929,474	13,149,570
2020-21	9,429,474	1,772,368	11,201,842
2021-22	9,872,368	1,602,693	11,475,061
2022-23	10,002,693	1,426,734	11,429,427
2023-24	17,626,734	1,087,385	18,714,119
2024-25	17,987,385	733,372	18,720,757
2025-26	20,933,372	310,233	21,243,605
2026-27	15,120,232	-	15,120,232
	<u>\$ 221,970,054</u>	<u>\$ 41,762,612</u>	<u>\$ 263,732,666</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

**GLEN HELEN BLOCKBUSTER PROJECT
SERIES 2008 A**

<u>Fiscal Year</u>	<u>Total Payment</u>
2008-09	\$ 687,708
2009-10	729,429
2010-11	705,689
2011-12	702,541
2012-13	713,837
2013-14	670,674
2014-15	662,631
2015-16	629,635
2016-17	641,363
2017-18	603,595
2018-19	590,913
2019-20	533,771
2020-21	536,508
2021-22	485,124
2022-23	453,777
2023-24	417,797
	\$ 9,764,992

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

**GLEN HELEN BLOCKBUSTER PROJECT
SERIES 2008 B**

<u>Fiscal Year</u>	<u>Total Payment</u>
2008-09	\$ 260,714
2009-10	230,042
2010-11	208,203
2011-12	231,328
2012-13	208,926
2013-14	192,309
2014-15	205,504
2015-16	189,242
2016-17	167,495
2017-18	679,576
2018-19	705,063
2019-20	758,896
2020-21	781,352
2021-22	807,943
2022-23	862,572
2023-24	886,151
	<u>\$ 7,375,316</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

CAPITAL IMPROVEMENT REFINANCING PROJECT

<u>Fiscal Year</u>	<u>Total Payment</u>
2008-09	\$ 391,298
2009-10	381,227
2010-11	377,537
2011-12	373,847
2012-13	370,158
2013-14	366,467
2014-15	461,973
2015-16	457,053
2016-17	452,133
2017-18	447,213
2018-19	442,293
2019-20	437,373
2020-21	432,454
2021-22	526,729
2022-23	520,579
2023-24	514,429
2024-25	508,279
2025-26	502,129
	\$ 7,963,171

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

**SOLID WASTE FINANCING PROJECT
SERIES 2008 B**

<u>Fiscal Year</u>	<u>Total Payment</u>
2008-09	8,077,664
2009-10	8,048,151
2010-11	8,389,213
2011-12	8,765,478
2012-13	9,140,020
2013-14	9,582,518
2014-15	10,038,033
2015-16	10,526,790
2016-17	11,059,025
	<u>\$ 83,626,892</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF LEASE PAYMENTS RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2008**

PUBLIC IMPROVEMENT FINANCING PROJECT

<u>Fiscal Year</u>	<u>Due September 15</u>	<u>Due March 15</u>	<u>Total</u>
2008-09	\$ 1,131,165	\$ 286,365	\$ 1,417,530
2009-10	1,156,365	265,050	1,421,415
2010-11	1,175,050	242,300	1,417,350
2011-12	702,300	230,800	933,100
2012-13	715,800	218,675	934,475
2013-14	723,675	206,050	929,725
2014-15	741,050	192,675	933,725
2015-16	752,675	177,975	930,650
2016-17	767,975	162,488	930,463
2017-18	782,487	146,213	928,700
2018-19	801,212	129,019	930,231
2019-20	729,019	113,269	842,288
2020-21	743,269	96,731	840,000
2021-22	761,731	79,275	841,006
2022-23	774,275	61,031	835,306
2023-24	796,031	41,737	837,768
2024-25	816,738	21,394	838,132
2025-26	836,394	-	836,394
	<u>\$ 14,907,211</u>	<u>\$ 2,671,047</u>	<u>\$ 17,578,258</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

**CONSTRUCTION AND IMPROVEMENT PROJECT
1996 COUNTY CENTER REFINANCING**

<u>Fiscal Year</u>	<u>Due July 1 Principal</u>	<u>Fiscal Year** Interest</u>	<u>Total</u>
2008-09	\$ 3,000,000	\$ 237,310	\$ 3,237,310
2009-10	2,200,000	193,083	2,393,083
2010-11	2,300,000	160,000	2,460,000
2011-12	2,400,000	129,280	2,529,280
2012-13	2,500,000	97,280	2,597,280
2013-14	2,600,000	64,000	2,664,000
2014-15	2,500,000	32,000	2,532,000
2015-16	2,500,000	615	2,500,615
	<u>\$ 20,000,000</u>	<u>\$ 913,568</u>	<u>\$ 20,913,568</u>

**Interest paid monthly, computed at a variable interest rate. Fiscal year interest in this schedule is based on June 30, 2007 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

**CONSTRUCTION AND IMPROVEMENT PROJECT
SERIES 2002**

Fiscal Year	Due July 1		Due January 1	Total
	Principal	Interest	Interest	
2008-09	\$ 4,435,000	\$ 1,017,469	\$ 945,400	\$ 6,397,869
2009-10	4,650,000	945,400	852,400	6,447,800
2010-11	4,790,000	852,400	756,600	6,399,000
2011-12	5,025,000	756,600	656,100	6,437,700
2012-13	5,155,000	656,100	553,000	6,364,100
2013-14	5,475,000	553,000	443,500	6,471,500
2014-15	5,585,000	443,500	303,875	6,332,375
2015-16	5,950,000	303,875	155,125	6,409,000
2016-17	6,205,000	155,125	-	6,360,125
	<u>\$ 47,270,000</u>	<u>\$ 5,683,469</u>	<u>\$ 4,666,000</u>	<u>\$ 57,619,469</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES A

Fiscal Year	Due November 1		Due May 1	
	Principal	Interest	Interest	Total
2008-09	\$ 565,000	\$ 159,766	\$ 149,879	\$ 874,645
2009-10	590,000	149,879	138,079	877,958
2010-11	610,000	138,078	125,879	873,957
2011-12	635,000	125,879	113,179	874,058
2012-13	655,000	113,178	100,079	868,257
2013-14	685,000	100,079	86,036	871,115
2014-15	715,000	86,036	70,842	871,878
2015-16	745,000	70,843	54,825	870,668
2016-17	775,000	54,825	37,775	867,600
2017-18	810,000	37,775	19,550	867,325
2018-19	850,000	19,550	-	869,550
	<u>\$ 7,635,000</u>	<u>\$ 1,055,888</u>	<u>\$ 896,123</u>	<u>\$ 9,587,011</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

WEST VALLEY DETENTION CENTER PROJECT - 2001 SERIES B

Fiscal Year	Due November 1		Due May 1	Total
	Principal	Interest	Interest	
2008-09	\$ 4,650,000	\$ 537,125	\$ 455,750	\$ 5,642,875
2009-10	4,840,000	455,750	337,000	5,632,750
2010-11	5,055,000	337,000	235,900	5,627,900
2011-12	5,265,000	235,900	109,900	5,610,800
2012-13	5,495,000	109,900	-	5,604,900
	<u>25,305,000</u>	<u>1,675,675</u>	<u>1,138,550</u>	<u>28,119,225</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

WEST VALLEY DETENTION CENTER PROJECT - 2002 SERIES A

Fiscal Year	Due November 1		Due May 1	Total
	Principal	Interest	Interest	
2008-09	\$ 280,000	\$ 1,134,719	\$ 1,128,419	\$ 2,543,138
2009-10	290,000	1,128,418	1,121,894	2,540,312
2010-11	305,000	1,121,894	1,114,269	2,541,163
2011-12	325,000	1,114,269	1,106,143	2,545,412
2012-13	340,000	1,106,144	1,097,644	2,543,788
2013-14	6,115,000	1,097,644	937,125	8,149,769
2014-15	6,430,000	937,125	768,338	8,135,463
2015-16	6,765,000	768,338	590,756	8,124,094
2016-17	7,125,000	590,756	403,725	8,119,481
2017-18	7,495,000	403,725	206,981	8,105,706
2018-19	7,885,000	206,981	-	8,091,981
	<u>\$ 43,355,000</u>	<u>\$ 9,610,013</u>	<u>\$ 8,475,294</u>	<u>\$ 61,440,307</u>

Schedule Twenty-one

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1994

Fiscal Year	Due August 1		Due February 1	
	Principal	Interest	Interest	Total
2008-09	\$ 3,280,000	\$ 4,853,250	\$ 4,754,850	\$ 12,888,100
2009-10	3,480,000	4,754,850	4,650,450	12,885,300
2010-11	3,570,000	4,650,450	4,552,275	12,772,725
2011-12	3,775,000	4,552,275	4,448,463	12,775,738
2012-13	3,990,000	4,448,462	4,338,738	12,777,200
2013-14	4,205,000	4,338,737	4,223,100	12,766,837
2014-15	4,445,000	4,223,100	4,100,862	12,768,962
2015-16	4,695,000	4,100,862	3,971,750	12,767,612
2016-17	4,965,000	3,971,750	3,835,214	12,771,964
2017-18	5,235,000	3,835,212	3,691,250	12,761,462
2018-19	7,465,000	3,691,250	3,485,962	14,642,212
2019-20	7,880,000	3,485,963	3,269,263	14,635,226
2020-21	12,180,000	3,269,263	2,842,962	18,292,225
2021-22	12,570,000	2,842,963	2,497,288	17,910,251
2022-23	13,290,000	2,497,287	2,131,813	17,919,100
2023-24	14,090,000	2,131,813	1,744,337	17,966,150
2024-25	14,890,000	1,744,338	1,334,862	17,969,200
2025-26	13,060,000	1,334,862	1,008,362	15,403,224
2026-27	13,725,000	1,008,363	665,238	15,398,601
2027-28	13,675,000	665,238	340,456	14,680,694
2028-29	14,335,000	340,456	-	14,675,456
	<u>\$ 178,800,000</u>	<u>\$ 66,740,744</u>	<u>\$ 61,887,495</u>	<u>\$ 307,428,239</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1995

Fiscal Year	Due August 1		Due February 1	Total
	Principal	Interest	Interest	
2008-09	\$ 9,045,000	\$ 3,171,150	\$ 2,854,575	\$ 15,070,725
2009-10	9,705,000	2,854,575	2,514,900	15,074,475
2010-11	10,525,000	2,514,900	2,146,525	15,186,425
2011-12	3,245,000	2,146,525	2,041,063	7,432,588
2012-13	3,465,000	2,041,063	1,928,450	7,434,513
2013-14	3,705,000	1,928,450	1,808,038	7,441,488
2014-15	3,955,000	1,808,037	1,679,500	7,442,537
2015-16	4,225,000	1,679,500	1,542,187	7,446,687
2016-17	9,545,000	1,542,187	1,257,175	12,344,362
2017-18	10,140,000	1,257,175	954,250	12,351,425
2018-19	7,150,000	954,250	757,625	8,861,875
2019-20	7,560,000	757,625	549,725	8,867,350
2020-21	6,180,000	549,725	379,775	7,109,500
2021-22	6,720,000	379,775	194,975	7,294,750
2022-23	7,090,000	194,975	-	7,284,975
	<u>\$ 102,255,000</u>	<u>\$ 23,779,912</u>	<u>\$ 20,608,763</u>	<u>\$ 146,643,675</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1996

Fiscal Year	Due August 1		Due February 1	Total
	Principal	Interest	Interest	
2008-09	\$ 60,000	\$ 1,630,744	\$ 1,629,168	\$ 3,319,912
2009-10	325,000	1,629,169	1,620,637	3,574,807
2010-11	340,000	1,620,638	1,611,712	3,572,351
2011-12	360,000	1,611,713	1,602,262	3,573,976
2012-13	380,000	1,602,262	1,592,288	3,574,551
2013-14	400,000	1,592,287	1,581,788	3,574,076
2014-15	420,000	1,581,787	1,570,763	3,572,551
2015-16	445,000	1,570,762	1,559,082	3,574,844
2016-17	465,000	1,559,081	1,546,875	3,570,956
2017-18	490,000	1,546,875	1,534,625	3,571,500
2018-19	515,000	1,534,625	1,521,750	3,571,375
2019-20	545,000	1,521,750	1,508,125	3,574,875
2020-21	570,000	1,508,125	1,493,875	3,572,000
2021-22	600,000	1,493,875	1,478,875	3,572,750
2022-23	630,000	1,478,875	1,463,125	3,572,000
2023-24	665,000	1,463,125	1,446,500	3,574,625
2024-25	695,000	1,446,500	1,429,125	3,570,625
2025-26	735,000	1,429,125	1,410,750	3,574,875
2026-27	7,120,000	1,410,750	1,232,750	9,763,500
2027-28	24,030,000	1,232,750	632,000	25,894,750
2028-29	25,280,000	632,000	-	25,912,000
	<u>\$ 65,070,000</u>	<u>\$ 31,096,818</u>	<u>\$ 29,466,075</u>	<u>\$ 125,632,893</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT - SERIES 1997

<u>Fiscal Year</u>	<u>Due August 1</u>		<u>Due February 1</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	
2008-09	\$ 16,410,000	\$ 402,045		\$ 16,812,045
	<u>\$ 16,410,000</u>	<u>\$ 402,045</u>	<u>\$ -</u>	<u>\$ 16,812,045</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

MEDICAL CENTER PROJECT – SERIES 1998

Fiscal Year	Due August 1		Due February 1	
	Principal	Interest	Interest	Total
2008-09	\$ 1,000,000	\$ 3,697,443	\$ 3,676,496	\$ 8,373,939
2009-10	1,100,000	3,676,496	3,653,453	8,429,949
2010-11	1,200,000	3,653,453	3,628,317	8,481,770
2011-12	9,200,000	3,628,316	3,435,599	16,263,915
2012-13	9,600,000	3,435,599	3,234,503	16,270,102
2013-14	10,000,000	3,234,504	3,025,028	16,259,532
2014-15	10,500,000	3,025,029	2,805,080	16,330,109
2015-16	10,900,000	2,805,080	2,576,752	16,281,832
2016-17	6,400,000	2,576,752	2,442,688	11,419,440
2017-18	6,700,000	2,442,688	2,302,340	11,445,028
2018-19	8,700,000	2,302,340	2,120,097	13,122,437
2019-20	9,100,000	2,120,096	1,929,474	13,149,570
2020-21	7,500,000	1,929,474	1,772,368	11,201,842
2021-22	8,100,000	1,772,368	1,602,693	11,475,061
2022-23	8,400,000	1,602,693	1,426,734	11,429,427
2023-24	16,200,000	1,426,734	1,087,385	18,714,119
2024-25	16,900,000	1,087,385	733,372	18,720,757
2025-26	20,200,000	733,372	310,233	21,243,605
2026-27	14,810,000	310,232	-	15,120,232
	<u>\$ 176,510,000</u>	<u>\$ 45,460,054</u>	<u>\$ 41,762,612</u>	<u>\$ 263,732,666</u>

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

GLEN HELEN BLOCKBUSTER REFINANCING PROJECT – SERIES 2008 A

Fiscal Year	Principal		Fiscal Year	Total
	Due September 1	Due March 1	Interest**	
2008-09	235,000	345,000	107,708	687,708
2009-10	260,000	360,000	109,429	729,429
2010-11	305,000	300,000	100,689	705,689
2011-12	320,000	290,000	92,541	702,541
2012-13	325,000	305,000	83,837	713,837
2013-14	275,000	320,000	75,674	670,674
2014-15	260,000	335,000	67,631	662,631
2015-16	275,000	295,000	59,635	629,635
2016-17	310,000	280,000	51,363	641,363
2017-18	280,000	280,000	43,595	603,595
2018-19	285,000	270,000	35,913	590,913
2019-20	255,000	250,000	28,771	533,771
2020-21	290,000	225,000	21,508	536,508
2021-22	215,000	255,000	15,124	485,124
2022-23	215,000	230,000	8,777	453,777
2023-24	215,000	200,000	2,797	417,797
	<u>\$ 4,320,000</u>	<u>\$ 4,540,000</u>	<u>\$ 904,992</u>	<u>\$ 9,764,992</u>

** Interest paid monthly, computed at a weekly variable interest rate. Fiscal year interest in this schedule is based on June 30, 2008 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

GLEN HELEN BLOCKBUSTER REFINANCING PROJECT – SERIES 2008 B

Fiscal Year	Principal		Fiscal Year	Total
	Due September 1	Due March 1	Interest**	
2008-09	75,000	55,000	130,714	260,714
2009-10	35,000	55,000	140,042	230,042
2010-11	10,000	60,000	138,203	208,203
2011-12	35,000	60,000	136,328	231,328
2012-13	15,000	60,000	133,926	208,926
2013-14	-	60,000	132,309	192,309
2014-15	15,000	60,000	130,504	205,504
2015-16	-	60,000	129,242	189,242
2016-17	-	40,000	127,495	167,495
2017-18	285,000	275,000	119,576	679,576
2018-19	290,000	310,000	105,063	705,063
2019-20	350,000	320,000	88,896	758,896
2020-21	355,000	355,000	71,352	781,352
2021-22	365,000	390,000	52,943	807,943
2022-23	425,000	405,000	32,572	862,572
2023-24	435,000	440,000	11,151	886,151
	<u>\$ 2,690,000</u>	<u>\$ 3,005,000</u>	<u>\$ 1,680,316</u>	<u>\$ 7,375,316</u>

** Interest paid monthly, computed at a weekly variable interest rate. Fiscal year interest in this schedule is based on June 30, 2008 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

CAPITAL IMPROVEMENT REFINANCING PROJECT

<u>Fiscal Year</u>	<u>Due November 1 Principal</u>	<u>Fiscal Year Interest**</u>	<u>Total</u>
2008-09	\$ 300,000	\$ 91,298	\$ 391,298
2009-10	300,000	81,227	381,227
2010-11	300,000	77,537	377,537
2011-12	300,000	73,847	373,847
2012-13	300,000	70,158	370,158
2013-14	300,000	66,467	366,467
2014-15	400,000	61,973	461,973
2015-16	400,000	57,053	457,053
2016-17	400,000	52,133	452,133
2017-18	400,000	47,213	447,213
2018-19	400,000	42,293	442,293
2019-20	400,000	37,373	437,373
2020-21	400,000	32,454	432,454
2021-22	500,000	26,729	526,729
2022-23	500,000	20,579	520,579
2023-24	500,000	14,429	514,429
2024-25	500,000	8,279	508,279
2025-26	500,000	2,129	502,129
	<u>\$ 7,100,000</u>	<u>\$ 863,171</u>	<u>\$ 7,963,171</u>

**Interest paid every 28 days, computed at a variable interest rate. Fiscal year interest in this schedule is based on June 30, 2008 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

SOLID WASTE FINANCING PROJECT – SERIES 2008 B

Fiscal Year	Principal		Fiscal Year	
	Due September 1	Due March 1	Interest**	Total
2008-09	\$ 3,330,000	\$ 3,100,000	\$ 1,647,664	\$ 8,077,664
2009-10	3,065,000	3,340,000	1,643,151	8,048,151
2010-11	3,330,000	3,585,000	1,474,213	8,389,213
2011-12	3,605,000	3,865,000	1,295,478	8,765,478
2012-13	3,915,000	4,130,000	1,095,020	9,140,020
2013-14	4,265,000	4,435,000	882,518	9,582,518
2014-15	4,630,000	4,755,000	653,033	10,038,033
2015-16	5,010,000	5,110,000	406,790	10,526,790
2016-17	5,410,000	5,510,000	139,025	11,059,025
	<u>\$ 36,560,000</u>	<u>\$ 37,830,000</u>	<u>\$ 9,236,892</u>	<u>\$ 83,626,892</u>

**Interest paid monthly, computed at a weekly variable interest rate. Fiscal year interest in this schedule is based on June 30, 2008 interest rate.

**INLAND EMPIRE PUBLIC FACILITIES CORPORATION
SCHEDULE OF DEBT SERVICE - CERTIFICATES OF PARTICIPATION
FOR THE YEAR ENDED JUNE 30, 2008**

PUBLIC IMPROVEMENT FINANCING PROJECT

Fiscal Year	Due October 1		Due April 1	
	Principal	Interest	Interest	Total
2008-09	\$ 825,000	\$ 306,165	\$ 286,365	\$ 1,417,530
2009-10	870,000	286,365	265,050	1,421,415
2010-11	910,000	265,050	242,300	1,417,350
2011-12	460,000	242,300	230,800	933,100
2012-13	485,000	230,800	218,675	934,475
2013-14	505,000	218,675	206,050	929,725
2014-15	535,000	206,050	192,675	933,725
2015-16	560,000	192,675	177,975	930,650
2016-17	590,000	177,975	162,488	930,463
2017-18	620,000	162,487	146,213	928,700
2018-19	655,000	146,212	129,019	930,231
2019-20	600,000	129,019	113,269	842,288
2020-21	630,000	113,269	96,731	840,000
2021-22	665,000	96,731	79,275	841,006
2022-23	695,000	79,275	61,031	835,306
2023-24	735,000	61,031	41,737	837,768
2024-25	775,000	41,738	21,394	838,132
2025-26	815,000	21,394	-	836,394
	\$ 11,930,000	\$ 2,977,211	\$ 2,671,047	\$ 17,578,258